

FY07 U.S. Base Pay Salary Structures



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Base Salary Structures



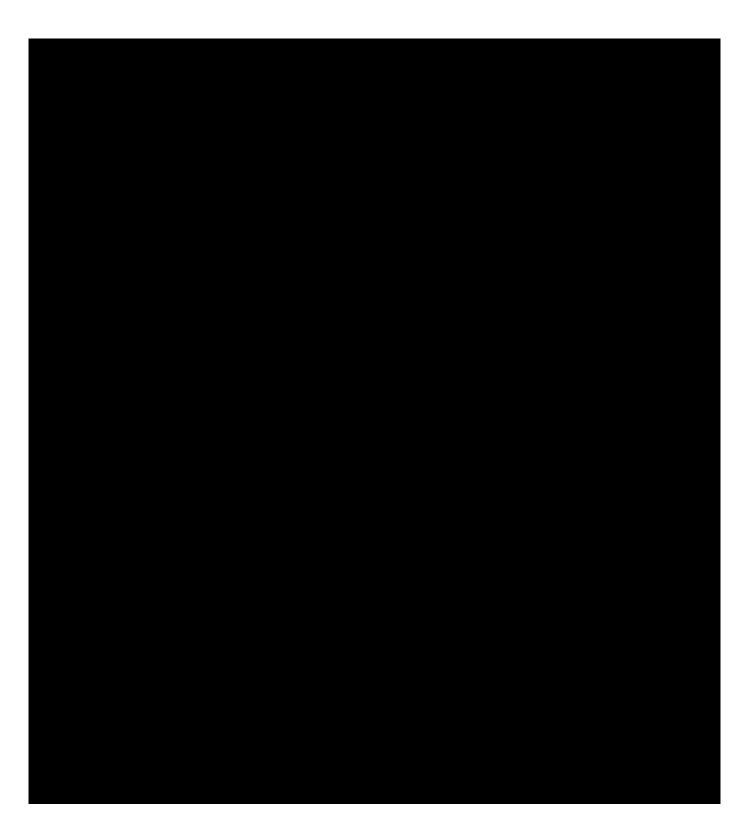
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Compensation Framework FY06



Apple Confidential Summer 2005



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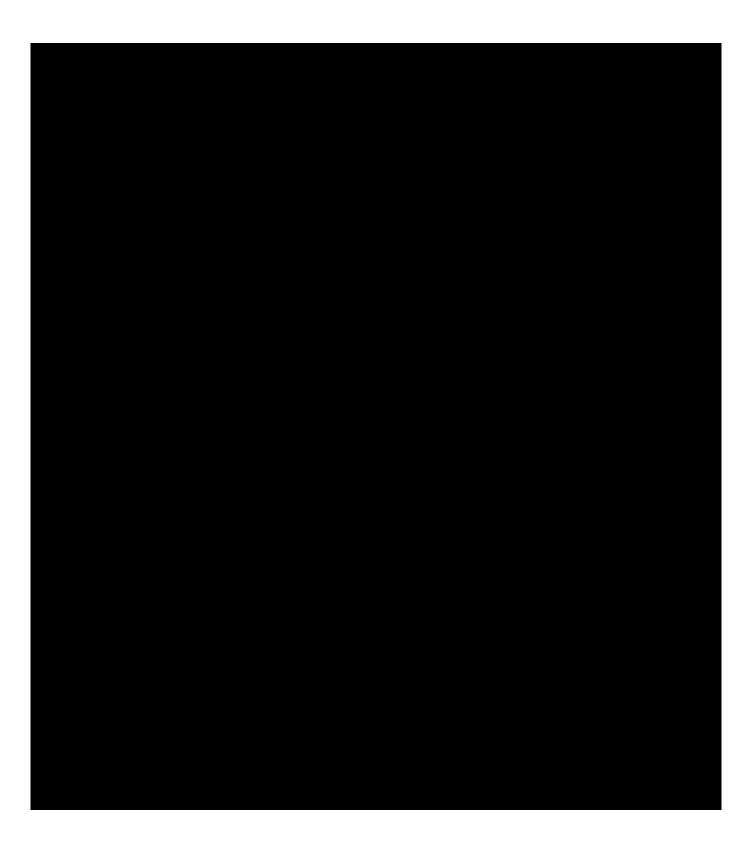
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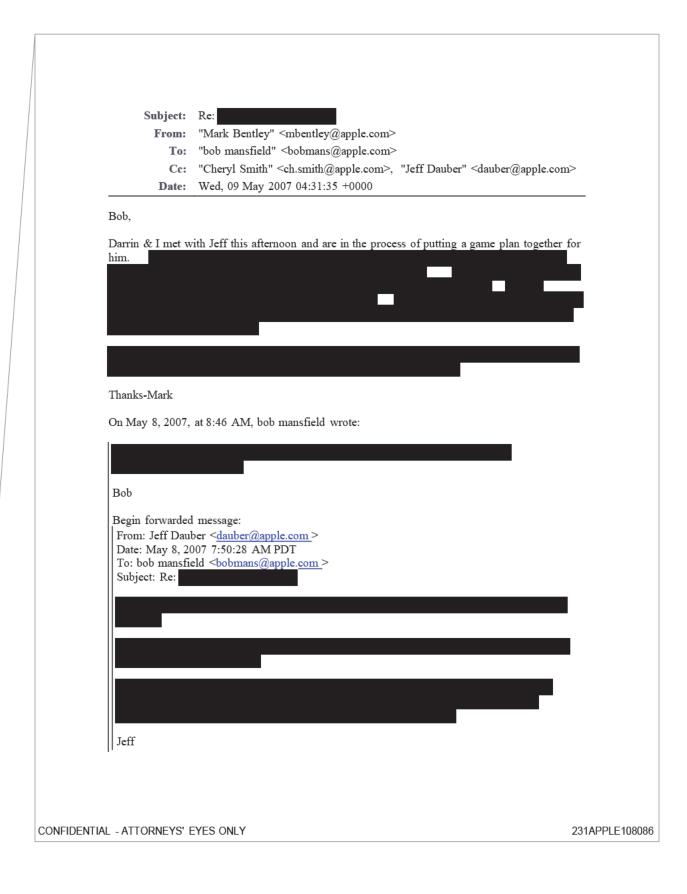
Base Salary Structures



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On May 8, 2007, at 7:47 AM, bob mansfield wrote: Where are we against this plan? Bob	
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APPLE INC.

EMPLOYEE COMMUNICATIONS MEETING

JUNE 28, 2007

S = Steve Jobs

Q = Question from audience

S Hi. [applause] Thanks for coming. So we are one day away from launching the iPhone and I thought it might be nice to get together and chat for a few minutes about it because I think it's a particularly special moment in time for Apple.

Many of us have been working on this for three years but it hasn't just been three years because we've really been standing on the shoulders of a lot of other work we've done over the last decade and it's really the marriage of everything we've done over the last decade. You know, it's got, from the Mac side, OS X in it. It's got awesome apps like Safari, Mail and things like that, so a tremendous amount of architectural expertise and software from the Mac as one of its parents.

We also had a lot of expertise from the iPod and iTunes side. Now the miniaturization, all of the understanding about how to build a durable device that goes in your pocket from the iPod side, tremendous expertise there—high volume manufacturing as well. And, you know, from the iTunes side, basing this on docking with your computer and syncing with iTunes and all of the activation as well from the iTunes side, so it's been phenomenal bringing together of all of this amazing expertise we've developed over the last decade into, I think, what is the most remarkable product we've ever done, and again standing on the shoulders of a lot of work that everyone here has done over the last decade.

I think it's the biggest user interface breakthrough in 23 years, since the iMac. That's something that not many people have written about. When you think about it, you know the Mac ushered in a real revolution that changed the way every computer worked, right? And the mouse, the bitmap screen, English [laughter], and it made the computer far more accessible to hundreds of millions of people now and we've been evolving that metaphor ever since. This is the first real breakthrough since then. We've taken it even further in terms of true direct action. We've thrown away all pointing devices except the ones you were born with and we've created a user experience that is just at another level. It's unbelievably cool and it all hangs together. It's really tight. And so I think

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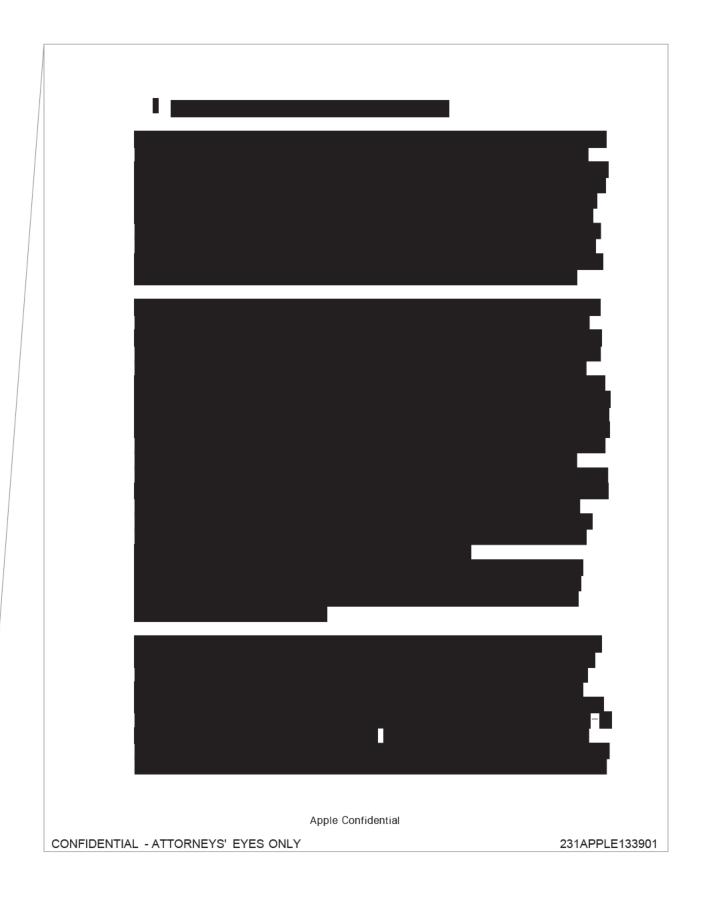
this is a particularly amazing moment in time for that and I don't think that will be fully appreciated for a little bit of time until this gets out there, but this is going to change everything in the mobile space.

You know, I remember the week before we launched the Mac we all got together and we said, "You know, very computer is going to work this way." You can't argue about that any more. You could argue about how long it will take but you can't argue about "if" any more because we've done it and it's great, and anybody with a triple digit IQ will agree [laughter] that every computer will work this way, will just argue about when. And that did come to pass and I think all of us that have worked on this feel the same way about this. Every mobile phone, every mobile device is going to work this way. You can argue about when, you can argue about what market share Apple is going to have but you can't argue about "if" any more. It's that good. And we are about to put this out into the world tomorrow night and I think it's just the seminal moment in time as you look at the progression of technology and ideas out into the marketplace. So I'm exhausted and I'm just completely thrilled with what we've come up with. It's really, really good.

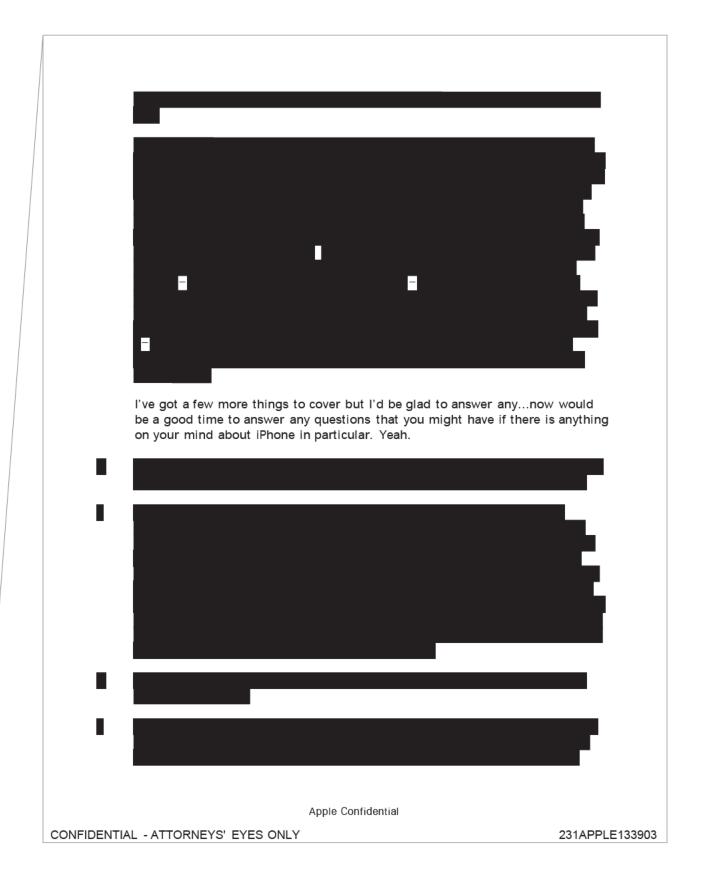


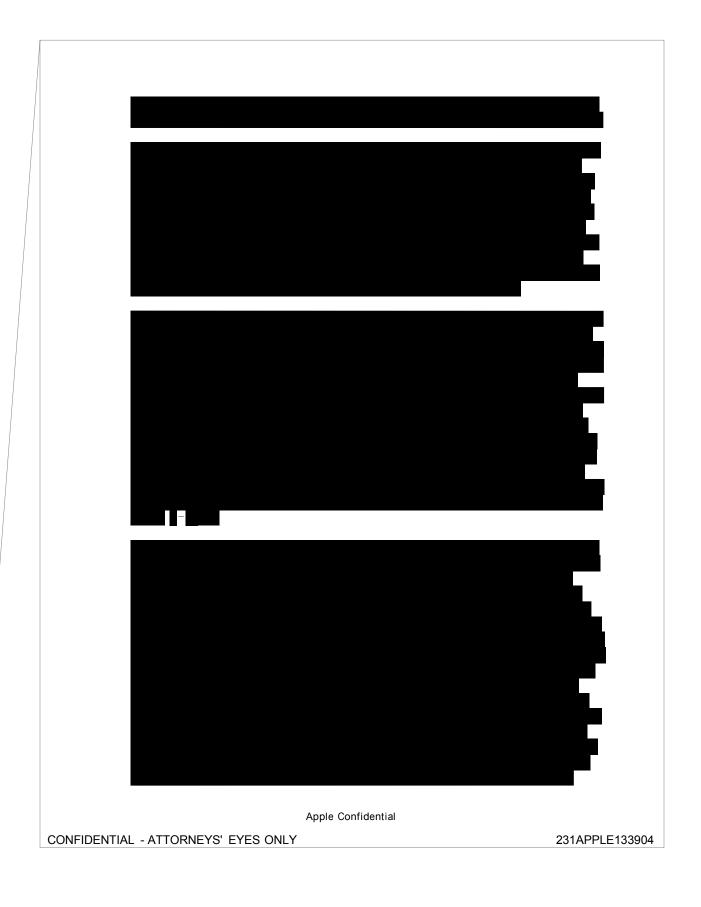
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- Q I just wanted to say I'm really amazed with the PR machine that's going on. It seems like it hasn't failed this week at all and the weeks before. It's amazing.
- S You know what's really incredible about the PR machine that's going on? There is no PR machine [laughter] until the last few weeks. There hasn't been one. We launched this product in January and what's been fueling the interest in it has been two things. Number one, we had millions, I don't know, 7, 8 million people watched that keynote video and they have become really excited about what they saw about the product. The product has resonated with a lot of people who may not love their phones and who may have saw something and said, "My God! (A) the capabilities and (b) I could use that. I could figure that out." And the second thing is is it's from Apple. You know, before we announced iPhone, I used to get 100 emails a week from people begging us to do a phone because they hated their phone and they knew that Apple...if Apple ever did a phone, it would be a great phone, and I think with 100 million iPods shipped and a whole bunch of Mac owners out there, I think a lot of people felt that if it was from Apple it was going to be something not only really great but that they could figure out how to use. And so I think those things have combined to drive a lot of interest. Now, in the last few weeks, we've obviously been putting out a lot of stu-bild for several months it's been the product and it's been Apple that's been driving that and I think you should feel really proud of that that people have that much trust in us that we are going to do something really well and I hope starting at 6:00 tomorrow we live up to it. I think we are gonna.

A phone call from Michael in Cupertino.

- Q Hi, Steve. I've been working at Apple for about 2½ years now and I love working here. There is only one thing that would keep me from staying here if I were ever to leave and that is salary. It seems like a lot of people who are just graduating are making a lot more money than some people working over here and that has me concerned because, first, they are making more money than I am and we are also losing people when we are trying to hire these people to other companies who are paying more and I was just wondering if there's anything we can do.
- I think we pay really competitively and when we hire people, we rarely lose people to competitors that we go after, so I don't really know, Michael. All I can say is you should talk to your manager about it and ask him why he doesn't think you are worth more money. [laughter]

Alright, any other questions? Yes.

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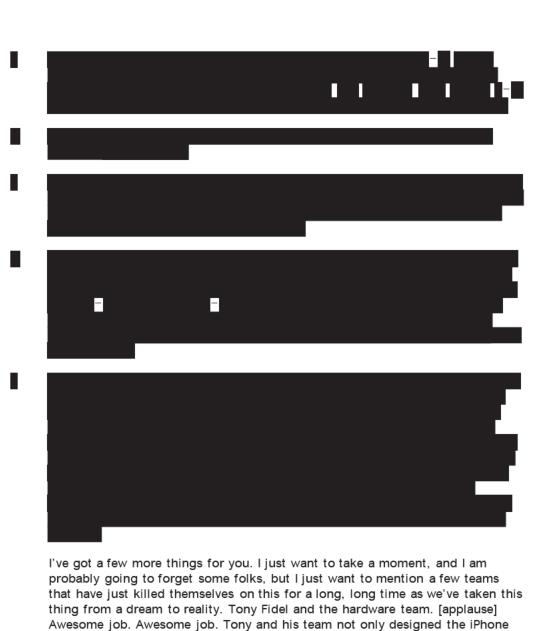
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- Q I know a lot of people that have been using smartphones over the last couple of years and they claim, they entirely claim that it's really changed their life in being able to be mobile, be more connected, talk to people and do stu一個ile they are moving around. Did you use a smart hone before the iPhone and, if you did, when you switched to the iPhone what changed for you and how has it made your life easier?
- Sure, I think many of us have used smartphones. We've used the Nokia ones, we've used Treos, we've used BlackBerries. I personally used the Treo for a year and when I couldn't wait to get my iPhone, they wouldn't actually give me one for a while [laughter] but I got one in January and, to be honest, I couldn't wait to take my Treo and throw it against the wall. [applause] It is so frustrating. I don't want to speak ill of them, but [laughter] the Treo that I had had a lot of areas that could have been improved. We are in a completely di-耀eredague from those products and it's like night and day, so as you get a chance to experience an iPhone, if you've ever used one of the smartphones out there, it's like DOS to a Mac. [laughter] Really. Yes, sir.
- Q So will the iPhone become our standard company phone? [laughter, applause and cheers]
- S I think it would be a good idea to ship some to customers first. [laughter] Yes.
- Q I'm curious, what plans do we have to avoid the madness that usually goes with things like the PS3 on launch day where people go online and each other?
- S Well you know, this is not the first time we've had people lining up at our stores, fortunately, and we've had some really big intros before and what we find is that people who line up in our stores are very respectful of each other, they are very respectful of us and the people that we have working at our stores, so I'm not worried about it. We have really good customers and I think they will be very respectful. You know, we've built a lot of iPhones. I don't think we built enough and so I don't think it will be enough so we built a lot of them but I think demand is going to be really big, so we are going to build them as fast as we can and get them into the hands of everybody that wants one as fast as we can. Any other quick questions? Yeah.



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I've got a few more things for you. I just want to take a moment, and I am probably going to forget some folks, but I just want to mention a few teams that have just killed themselves on this for a long, long time as we've taken this thing from a dream to reality. Tony Fidel and the hardware team. [applause] Awesome job. Awesome job. Tony and his team not only designed the iPhone but have handled all of the certification with AT&T, which has been a lot of work with the FCC, with all these agencies. They designed the antennas. This is stu-væ've never done before as a company. We figured out how to design, you know, cell phone antennas. We figured out how to work with the FCC, work with AT&T in very innovative ways. They've done a phenomenal job in every aspect. And one of the aspects, too, is Steve Sedeski(??), who works for Tony, the whole

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PD team killed themselves on this and have done a phenomenal job. So antennas, electronics, product design teams, just everybody has done a phenomenal job.

Jonny Ive and the ID team, awesome. [applause] You know, there's at least once a day when I'm taking my iPhone out of my pocket where it still takes my breath away. It is so beautiful. It is so simple compared to all these bizarrely complex phones that are out there. It is so elegant and beautiful and the fact that we were all able to work together to come up with this incredible design and Johnny and his team working so intimately with all of the groups that had to implement it to bring it into a reality, you guys did an awesome job, awesome.

Scott Forrestal and the software team. [applause] Unbelievable. When we first decided that this phone was going to run OS X, it was a pretty scary moment, you know? I mean, it's like getting up on a 100 meter diving board or some—thing and we pulled it o—the had, you know, a lot of stu—the start with but we had ten times too much stu—the start with and we had to go in and reinvent parts of OS X and invent parts of things that managed power in ways that we never have before and rewrite... figure out how to create layers to deal with this touch interface that didn't exist, that nobody had ever thought of and write all these incredible applications and invent this user interface from the ground up. Unbelievable, and I think our software team has just, again, killed themselves over the last nine months, weekends, three meals a day here to finish this and it is glorious. It is really glorious what they've done.

Eddy Cue and Je-Rabin and the teams on activation and sync, awesome job, awesome job. [applause] When you buy an iPhone, you don't have to hang around the store for half an hour to an hour after you've made your purchase to get your phone activated. You don't have to have somebody open it up and put all the stu-rate table and then throw it all back in the box and you walk out with this...[laughter] You get to take it home and in the comfort and privacy of your own home or of—ploe just dock it like you dock your iPod and iTunes takes you through choosing a plan and activating your phone and syncing all your content over to it and it's fantastic.

Je-V耀liams and the ops team [applause] have done unbelievable work, unbelievable work. Nobody has ever made anything like this. I mean, the way that Johnny and Tony and his teams have designed this thing, it is a precision instrument and we are achieving in high volume manufacturing a level of precision and quality that I don't think any consumer electronics device has ever attempted, much less achieved, before. And Je-ard the ops team have done a phenomenal, phenomenal job.

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Bob Mansfield, who runs our Macintosh Engineering, he and his team invented the multi-touch display that we are using and also helped enormously on one of the custom chips inside the iPhone. They killed themselves on this stu-ouer the last few years. [applause]

Greg Joswiak and the marketing team have killed themselves on this phone, especially, especially during the last nine months as we got ready for the launch in January and since then and they even spawned the now famous Bob Borchers(??). [laughter and applause]

Allison Johnson, Hiroki Asai and the incredible marcom team. You've seen the Web sites. You've seen the videos. You've seen the mailings going out. People have been killing themselves on this stu-t and I also want to mention James Vincent and our incredible ad agency. You've seen the ads. I hope you love them as much as we do. [applause] Very well received.

Now, I'm sure I'm leaving some folks out and I apologize. We all are a little bit exhausted but everybody has worked hundreds and hundreds of people, I'm sure it's well over...into the thousands by now have worked on this thing for so many months and put their hearts into this thing and one of the things that's great is you can put your heart and soul into something that's not worth it and the greatest thing is when you do put your heart and soul into something over an extended period of time, you decide to sacrifice things, time with your family is the hardest one, to create something and it is worth it and I think everybody who has worked on iPhone and made those sacrifices is going to feel that it's been worth it. This is a landmark product and it was one of those things that is going to have been worth the sacrifices. So thank you to everybody who has worked on this thing. This is awesome. [applause]

So, for all the people that have worked on this, I think everybody feels a sense of pride that's o- 耀 therts, and for everyone else at Apple who is now going to be working on it, I'm sure you are going to feel the same pride as we do. It's a really wonderful thing we are doing here.

And so I want you to be able to exhibit that pride and to experience it for yourselves and so I've made the decision that we are going to be giving all U.S.-based full-time Apple employees, and all U.S.-based part-time employees who have been with Apple for at least one year, an 8 gigabyte iPhone. [loud applause and cheers] Yes. So I know that some of our team members that are not U.S.-based are going, "Well, what about me?" [laughter] The iPhone is a U.S.-based product right now and we will consider doing some really great things as we roll it out to the other geos over time but for now all full-time employees in the U.S. and all part-time employees who have worked here for over a year we are going to get you an iPhone. We are going to go with an 8 gigabyte model because when it comes to our team we don't scrimp [cheers and ap-

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plause] and the only thing you are not going to love is we are going to be sending the first ones to customers for the first few weeks so we'll get them to you by the end of July. [applause] So you'll hear about this in the coming weeks but let's go get some to customers first but you are going to love this thing. It's awesome.

Now, we are not going to pay for everybody's service plan. [laughter] You are going to have to take care of your own service plan unless Apple already pays for your phone, and we do pay for phone service for some number of people who need a phone, in which case we'll obviously pay for this, but otherwise you are on your own to go activate your phone with iTunes and pick a service plan, put in your own credit card and away you go. [laughter]

Now, while we wait for the end of July, just around the world at all of our big facilities, tomorrow at noon we are just going to have free ice cream all afternoon, so [laughter and applause] that's the proxy until we can get our phones.

So thank you very much for spending a few minutes together. I know every-body's busy but I think this is a, this is a seminal moment in time for our company and I think for the mobile phone industry and, you know, for hundreds of millions of customers around the world, so it's worth smelling the roses a little bit today. Today is the last day before the iPhone comes out and trust me, you will remember it. So thank you very much. [cheers and applause]

[End of recording]

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